

ABSTRACT

5 The present invention provides a promotion pricing system and a related model
for producing a value evaluation and recommendation for promotion on a targeted
product so as to analyze, evaluate, improve, and design promotions to meet a user's
need. The promotion pricing system generates promotion price evaluations and
recommendations for each product promotion related to a target product of a user along
with associated competing products from the user and competitors. The user can be an
individual, an organization, a corporation, an association or any entity providing,
including activities related to making, selling, resale, offering for sale, distributing and
10 other commercial conducts, products or service or both in the stream of commerce

15 In the preferred embodiment, the promotion pricing system of the presenting
invention is comprised of modularization of the necessary analytical steps along with
specifications for these modules. These modules cooperate to implement statistical
market response estimation that provide statistically stable, fact-based information on
customer response to a promotions. The modules further allow data capture to leverages
enterprise and supply chain data sources. The modules include a product segmentation
module, an incentive translation module, a customer segmentation module, a data
aggregation module, a model selection module, a calibration module, an evaluation
module, a constraints generation module, a cost structure module, an optimization
20 module, a market channel performance module, and an alert module.